6. Conversion would be allowed in cases where property transfer has taken place on general power of attorney provided applicant has proper power of attorney from the lessee to alienate the property and the applicant is in possession of the property. In such case surcharge of 33 1/3 per cent on the conversion charges would be payable in addition.

7. Public notices will be issued within 60 days by the agency administering the lease setting out the modalities for implementation of the order.

8. In cases of future allotment of flats, allotment will be on freehold basis and in cases of plots on leasehold basis and convesion of property to freehold once completion certificate is obtained from the local body.

Study made by Chamber of Commerce of Industry

4298. SHRI SANTOSH KUMAR SAHU: Will the Minister of URBAN DEVELOPMENT be pleased to state:

(a) whether Government are aware of the study made by any Chamber of Commerce and Industry regarding housing needs by the end of the century;

(b) if so, what are the requirements and constraints contained in the study alongwith recommendations;

(c) the reaction of Government thereto; and

(d) the details of steps taken to declare Housing and Construction activities as Industry?

THE MINISTER OF STATE IN THE MINISTRY OF URBAN DEVELOPMENT (SHRI M. ARUNACHALAM): (a) and (b) Govt. is not aware of the study conducted recently by any Chamber of Commerce and Industry regarding housing needs by the end of the century. However, in Jan. 91 Federation of Indian Chamber of Commerce and Industry and National Housing Bank had jointly organised two workshops on Facilities for Financing and promoting House Construction Activity. The workshop had *inter alia* made an assessment of housing needs as in 1990 to be 29.2 million units. No assessment of housing needs by the turn of the century was, however, made in the said workshop. The recommendations of this worksop are given in the enclosed statement. (*See* below)

(c) Govt. have initiated various steps to augment the flow of funds for housing from different agencies and Sources and to meet the enchanged requirements of housing by removal of constraints to housing activity and by creating an enabling environment in the context of finalising the the approach to VIII plan.

(d) The manufacture of biulding materials already comes under the purview of industries. However, the service sector part of housing does not come within the purview of industry. The question of declaration of housing as an industry is under examination.

Statement

Work shop on facilities for Financing and promoting house construction activity

Sumary of Recomendations

There is an acute shortage in dwelling or housing units. The situation related to sanitation and service infrastructure is unsatisficatory. These shortcomings need to be removed and house construction made attractive.

The National Housing Policy has, *inter* alia, the objective to help people secure themselves shelter through access to land, materials, technology, finance, etc. Any sincere attempt in tackling the problem of housing needs to be appreciated and supported. The crittria for 'minimum quality house' should be evolved to facilitate a proper estimate of the housing shortage.

The housing shortage in 1950 is estimated at 29.2 million units. The demand

for housing stock in the urban sector is expected to increase. To make a dent on the shortage the formal sector has to contribute substantially more than the present 0.5 million units per annum.

As per international trends, private efforts based on self-help has been the motivating factor for increase in number of dwelling units. To achieve this, public agencies should concentrate on providing buildable sites to public private sector contributes around 85 per cent of the housing stock. No exchange government sponsored housing programme has achieved full success in any free aconomy. To end shortage, housing should become a people's movement.

The National Housing Policy should adopt a multi-sector-multi-agency approach to tackle the various facets of the housing problem. It should take into account the legal hurdles in house construction activity.

It is recognised that housing largely depends on private initiative. Government should, therefore, play the important role of facilitator and catalyst in housing. Private sector, which plays a vital role, should be involved in all areas of housing. Housing sector should be given the status of industry for all purposes.

The dimension of the problem of investment is stupendous 90 per cent of the investment has to come from the private sector. It is imperative that Government creates the right environment for private sector to tap the requisite resources.

The prices of building materials must be kept within the reasonable limits. Otherwise it may be impossible to achieve the targets set for house construction.

Government should adopt the enabling concept and people should be enabled to decide as to how they should house themselves.

Government's fiscal and credit policies should be oriented to ensure that the social sector is allowed to compete firly for financing and cost of financial intermediation must be minimised.

Specal action should be initiated to support local production of house of indigenous materials.

Efforts will have to be made to arrange adequate supplies of built up land and building materials and credit finance must be organised efficiently and in time. Finance system as will as the system of handling real resources must act hand-in-glove.

The housing finncing system must be paid more attention to meet the credit needs of not only individuals but also the credit needs of public cooperatives and private agencies engaged in land development, house construction, etc. Special attention needs to be paid for credit and other needs of professional developers, who play major role in providing houses to the people.

Though the original social objectives of the Urban Land Act were desirable, its negative features have become obstacles to construction activity. Approvals under the Act are combersome and dilatory The Act has not made any significant impact on the mopping up of excess vacant land but it has had a freezing on the urban land market pushing up the prices in general.

The Act must apply to urban land which must be distinguished from rural areas though both may be under municipal corporation limits.

Quick sanctions must be given to schemes of group housing both in public and private sectors.

Instead of acquiring vacant land, Government should permit the holder of the land to utilise it, if necessary, by fixing a time schedule.

Husband, wife and minor children should be treate, as separate entities for purpose of owning a vacant land.

Guidelines under Section 20 of the Act should be incorporated in law to avoid administrative and procedural wrangles.

The Act should not be applicable to open land held by Charitable Trusts which enjoy exemption under the Income-Tax Act, 1961.

Land acquired by Government or which is otherwise lying vacant at the disposal of Government be released to private developers who may be allowed to construct and sell residential houses to needy persons. Appropriate conditions could be laid down in this regard.

The Rent Control Legislation have led to malpractices in many cases. Disputes between landlords and tenants have increased tremendously. While there is need to protect tenants from being exploited by landlords, there is equal need to consider the problems and difficulties faced by landlords in view of inflation scarcity etc.

Houses available for being let out need to be increased enormously. To do this, the entire outlook towards rent needs to be reoriented. Rent must be such as to give a fair return to investment otherwise builders will shy away.

Law should provide for a periodical review of rent which could be once in five years. Revision could be related to changes in consumer price index. Landlord should be permitted to charge the market rent for comparable properties.

Inflation affects not only landlords but also tenants. The taxes/levies payable by landlord range from 17.5 to 32.5 per cent. Further, landlord has to pay tax on his rental income. House construction will attract investment only if rents ensure a fair return on investment.

The law should provide for a periodical review of rent which could be once in five years.

The landlord should be permitted to change the market rent for comparable properties;

One house property should be totally exempt from income and wealth taxes. At least no welath tax should be leviable in respect of a self-occupied house irrespective of its value.

A house construction company must be treated as industrial company in all its aspects for tax purposes.

Stamp duties in the States and Union Territories on all types of mortages should be rationalised. The Transfer of property Act (TPA) should recognise making English mortagage which provides for right of private sale with the intervention of the Court and the right to appoint receiver which should be universally applicable.

Registration procedure needs to be simplified.

Dwelling units in Delhi and Bombay

4299. SHRI BEKAL UTSAHI:
SHRI MURLIDHAR CHANDRAKANT BHANDARE:

Will the Minister of URBAN DEVELOPMENT be pleased to state:

(a) whether Government are aware that a large number of dwelling units in Delhi, Bombay and other cities and towns are kept vacant and not given on rent only because of the hard provisions in Rent Control Acts which are too much inclined in favour of the lessee and against house owners;

(b) if so, whether any survey was lately made about the dwelling units so kept vacant in Delhi, Bombay and other cities and towns; if so, with what results; and

(c) what steps have been and are being taken to rationalise the law to ensure fuller utilisation of dwelling units?

THE MINISTER OF STATE IN THE MINISTRY OF URBAN DEVELOPMENT (SHRI M. ARUNACHALAM): (a) The Government is aware of the adverse effect of rent control legislation on the supply of rental housing.

(b) A household survey has been undertaking by the Human Settelement Management institute of HUDCO in the cities of Bombay, Calcutta, Delhi and Bangalore which will *inter-alia* provide some information on dwelling units kept vacant in these cities.